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## **Social capital and Mennonite entrepreneurship: the case of Circle R in Blue Creek, Northern Belize**

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**Abstract:** In Belize, Central America, Mennonites are notably present in the entrepreneurial arena of the country. Mennonite entrepreneurs face numerous challenges in establishing and running their business, like acquiring the education and skills needed to run an organisation. The Mennonites often make use of the social capital present within the community. Social capital is an important source, which is obtained from a network of connections allowing persons or organisations to enhance access to needed openings and changes. Religion is a rich and efficient foundation of social capital because it creates a shared background and common thoughts that bind people. By making use of their social capital entrepreneurs are able to expand their activities. Circle R illustrates the way in which social capital is present in a modern Mennonite organisation. This paper investigates how the concept of social capital is reflected in the daily practice of the Mennonite organisation of Circle R.

**Keywords:** Belize; Mennonites; religious organisation; entrepreneurship; social capital.

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**Biographical notes:** Carel Roessingh studied Cultural Anthropology and obtained his PhD from Utrecht University. His PhD research was on the Belizean Garifuna. His central research topic now is religious entrepreneurs, focusing on the organisational activities of the Mennonites in Belize and Central America. He works as a Senior Lecturer at VU University Amsterdam, Faculty of Social Sciences, Department of Culture, Organisation and Management.

Karen Smits studied Organisational Anthropology and obtained her MSc at VU University Amsterdam. During her master she conducted research on Mennonite entrepreneurship and self-employment in Blue Creek, Belize.

## 1 Introduction

### *Social capital: a theoretical frame*

Social capital is a heavily debated concept (Martes and Rodriguez, 2004; Bourdieu, 1977; 1989; Putman, 1995). Woodcock (1998, p.153) defines social capital as 'the information, trust and norms of reciprocity inhering in one's social networks'. His emphasis on mutually exchangeable information and trust is especially interesting when it comes to the importance of reciprocity within social networks. Bourdieu (1977, 1989) places this interdependence within a social world in which all humans can be divided into smaller worlds or fields, e.g., networks or configurations of relationships between positions that are defined by their situation in a structure of different kinds of power (Brouns, 1993). A field functions as a battlefield, in which people 'fight' with each other, using different kinds of tools or capital (Roessingh and Mol, 2007). People use their capital in the social arena to acquire power in a certain field.

In the debate about social entrepreneurship the concept community-based entrepreneurship is a premise that we would like to take into account. Anderson et al. (2006, p.77) define community-based entrepreneurship as 'a community acting corporately as both entrepreneur and enterprise in pursuit of the common good'. In this course of action enterprises make use of the social structures that exist in a community. The social structures within a community are very important for building and functioning of an organisation. The concept community-based entrepreneurship in this article is related to social capital because of the importance of social networks, which reflect in the use of 'common goods' within the community.

Portes and Sensenbrenner (1993, pp.1323–1325) distinguish four resources of social capital that appear as an aspect of 'common good', namely value introjection, reciprocity transaction, bounded solidarity and enforceable trust. As we will argue below, these four resources play a role in the Mennonite community from Blue Creek, Belize, more specifically in the field of religion and entrepreneurship.

Mennonites can bring about value introjection (getting their community to adhere to their beliefs and values) through the influence of the church. Transaction reciprocity is visible from the fact that the different community inhabitants and congregations support each other and provide each other with jobs and other means. With respect to bounded solidarity, the Mennonites are a migrant group in Belize that is considered as a 'them'-group by other ethnic groups, which stimulates the development of ethnic ties within the Mennonite community, next to religious ties. The Mennonites also have a strong awareness of their own history, which adds to intra-group solidarity. The communal 'us'-feeling gives rise to internal enforceable trust, which is controlled by church regulations and a strong social cohesion.

Next to the concept social capital it is significant to note that Mennonites are seen as an ethnic group. In practice Mennonite ethnicity turns out to be a dual concept (Roessingh, 2007). Most of the Mennonites remain their Canadian citizenship beside their Belizean citizenship.

Anderson et al. (2006) reveal the traits of ethnic entrepreneurship, starting with the fact that ethnic entrepreneurship always concerns immigrants. According to Light (2004) immigrants and ethnic minorities bring strong resources, such as social capital, to their new living area to empower their self-employment. Ethnic entrepreneurship typically engages enterprise development at the individual or family level. In addition, Mennonite

entrepreneurship is related to the community they live in and most Mennonites in Belize have obtained a governmental status.

The Mennonites are known for their business mindset and their strong economic position in the country. The amount of social capital that is present in their business environment is an important aspect of doing business (Smits, 2007). The entrepreneur receives significant advantage from social capital that allows persons or organisations to enhance access to needed openings and changes (Ryman, 2004).

The Mennonites' social capital is their basic assumption, which is based on the themes 'Ordnung' and 'Gelassenheit', both deeply embedded in the Mennonite lives. 'Ordnung' contains the norms and values that regulate the Mennonite everyday lives and can be translated as discipline. 'Gelassenheit' can be seen as a trait with which Mennonites deliver themselves to the will of God. With 'Gelassenheit' they submit to God's will and his demand to live a modest and introvert life (Mol, 2005).

This paper demonstrates how these resources of social capital can play a role in a specific Mennonite community by using the Mennonite' history and describing a case study in Blue Creek, Belize.

## **2 Methodology**

The data presented in this paper are the result of an ethnographic research conducted in a Mennonite community in Belize from February until July 2007. In the population census of 2000, the Mennonites are categorised as an ethnic group with a total of 8,276 inhabitants (Central Statistical Office, 2000). The ethnic identity of the Mennonites is based on their common religious belief, their basic assumptions on life values and life style and their shared migration history from Western Europe towards Belize.

Compared to other Mennonite settlements in Belize, the community in Blue Creek is the most developed in terms of their use of technology, their social-economic position and management thoughts. Since the intention is to offer an insight into the daily life settings of the Mennonite entrepreneurs, qualitative research methods were used to collect information about the Mennonite companies and the role of social capital within the community. The advantage of qualitative research is that it aims at an in-depth and interpreted understanding of the participants' social world by learning about the context (Ritchie and Lewis, 2003). The best method to gather information about the daily routine of the Mennonite entrepreneurs is through participant observation, hence by living and participating in their community. Next to participant observation informal conversations and semi-structured interviews were used to collect information on the entrepreneurial activities within the community. Before the fieldwork period in Blue Creek general information was collected and a literature review was written in order to gain a better understanding of the Mennonites and the community itself. This review served as input for a topic list that was created in order to organise the process of data collection in the field. As the research progressed this topic list changed to more specified terms and was extended with extra subjects to investigate.

Interviews were held with entrepreneurs, employees and community members. Most interviews had an informal character and were conducted in the natural environment of the respondent, in the organisation, on the field or at the house of the respondent. Near the end of the research some more structured interviews were held in order to fill the gaps or to obtain more detailed information. Most informants were approached after the

Sunday service at church, since this is one of the most prominent social events within the community. Other informants were mainly approached after and as a result of, previous interviews with respondents. This method of sample selection is called snowballing (Ritchie and Lewis, 2003). Informal conversations with community members took place on several occasions, while cooking dinner, cleaning the church, helping out on the farm, visiting etc. In the course of the research findings were related to academic literature to be able to gain a deeper analytic perception.

### **3 Mennonites and their road to Belize**

In 1958, the Mennonites came to Belize. They hailed from Mexico and Canada, but a long history lies behind this. The Mennonites originate from the Anabaptist movement of the Protestant reformation in Europe during the first half of the 16th century (Everitt, 1983). This movement has its origin in a 'religious-social rebellion' in 16th century Europe [Redekop, (1989), p.6]. The term 'Anabaptist' stands for 're-baptiser', which means that this religious group believes that adults should be baptised based on their choice to follow Christ. In contrast to the then popular approach that children should be baptised soon after birth, the Anabaptists thought that the basis of faith must be a conscious rational decision. The Anabaptists are convinced that a clear distinction is needed between church and government. Therefore, they rejected the authority of a civil/religious government, demanding to baptise children, swear oaths and join military service, because they felt that the scripture suggested a different approach to a life of faith (Ryman, 2004).

A Catholic priest from a town called Witmarsum in the western part of Friesland in The Netherlands, whose name was Menno Simon (1496–1561), became an important leader of the Anabaptist movement. The Anabaptists first emerged in Switzerland, during a time of important social and religious conflicts all over Europe. From the start there have been many separations within the Anabaptist movement with regard to religious principles, ideas and opinions (Hedberg, 2007). One of the earliest schisms was the breakaway of the followers of Jacob Ammann (the Amish) from the movement in 1693 (Kraybill, 1989; Hostetler, 1993). Other groups within the Anabaptist movement are the Brethren and the Hutterites. A specific group of Anabaptists around Menno Simons, situated in the Northern part of the Netherlands and Germany, formed a cohesive community and were soon called 'the followers of Menno'; the Mennonites.

The Anabaptist distinguished themselves from other movements by their requirement for a separation between religious life and state control, their claim to pacifism and their demand to live in self-controlled communities. The Mennonites, as other Anabaptist groups, are not organised in churches but in congregations or communities (Redekop, 1989). The concept of community ('Gemeinde') has been and still is very important. The Mennonites distance themselves from certain principles such as worldliness, which means that they believe in 'separation from the world' [Loewen, (1993), p.17]. They aspire to maintain their traditional way of life as much as possible by rejecting influences from the world outside of their communities (Hedberg, 2007). Due to this they have little contact with the outside world and are recognised as being focused inward. In their attempt to preserve their traditional way of life the Mennonites have been forced to migrate several times, because they were often

seen as antagonists by the ruling churches and governments in the countries they lived in. They first migrated to Poland and Prussia, then to Russia, from where they moved between 1874 and 1880 to Manitoba, Canada (Roessingh, 2007). Yet even here the Mennonites could not escape the changing rules of the authorities. In 1916 the government of Manitoba passed the School Attendance Act. The act stated that all children between the ages of seven and 14 must attend public schools and receive their education in English [Loewen, (1990), p.390]. This meant that the Mennonites could not live as an independent community anymore, which was one of their main values. Therefore, the most conservative Mennonites refused to send their children to public schools and in 1922 this group packed their bags again, this time to move to Durango and Chihuahua in Mexico. For instance, in 1924 a number of 'Kleine Gemeinde' Mennonite families moved from Kansas to settle themselves near the Chihuahua Old Colony communities (Quiring, 2003). After that (between 1947 and 1952) several other groups of Mennonites followed this movement to Mexico because of growing sentiments against them (due to their German-'enemy'-heritage and their exemption from military service), a government policy aimed at assimilation, land shortage and internal differences over worldliness. Loewen (1993, p.17) explains that 'the search to maintain the old ideology of 'separation from the world' in this changing environment' is a basic principle that can cause internal disputes about which are the rules to keep 'separate from the world' and whom or what are influences from the outside world, the worldliness, which are not acceptable for the community.

However, after being faced with the threat of being incorporated into the Mexican social security system several groups of Mennonites again started to look for another homeland; somewhere where they could live according to their own rules and belief. They found such a place in British Honduras with which an agreement was signed in 1957 leading to the migration of several Mennonite groups ('Altkolonier', 'Sommerfelder', 'Kleine Gemeinde') to this British colony (Everitt, 1983; Sawatzky, 1971). The Mennonites were granted freedom to administer their own colonies and exemption from military service in exchange for producing food for the local market and for export (Sawatzky, 1971). In 1958 the first group of Old Colony Mennonites from Mexico arrived in British Honduras to settle in Blue Creek and Shipyard in the Orange Walk District (Everitt, 1983; Roessingh and Plasil, 2006; Sawatzky, 1971). In the same year another group, the 'Kleine Gemeinde' Mennonites, who also migrated from Mexico, settled in a place called Spanish Lookout in the Cayo District (Higdon, 1997; Quiring, 1961; Sawatzky, 1971).

Belize, formerly known as British Honduras, is a small country that borders Mexico and Guatemala. The country covers 22,966 square kilometres of the Central American continent and has approximately nowadays 300,000 inhabitants (Belizean Government, 2007). Belize is a multi-ethnic society with the Mestizo and Creole as the largest ethnic groups and English as its official language.

The government of Belize accepted the Mennonites because they were known for their agricultural skills. The Mennonites were allowed to stay in order to give an impulse to the agriculture in Belize, which at the time was not functioning and the Belizean government gave them the space to do this by signing the 'Privilegium' (Mol, 2005). In this document the Mennonites' exemption of military duty, their freedom to establish their own schools, the right to have their own social system and the abandoning of swearing the oath were included. Their obligations towards the Belizean government were also described: the Mennonites had to bring in investment money, had to produce

for the local market and export and must pay regular taxes (Higdon, 1997). With this agreement the Belizean government aimed at an improvement of the economical situation of the country. According to Everitt (1983) the Mennonites developed their farming to be an important addition to Belizean agriculture and food production. Nowadays Mennonite entrepreneurs lead the national market when it comes to milk, dairy products and poultry. They often visit shops and supermarkets in the cities to sell their products and some Mennonite companies even export their goods.

The Mennonites who bought land in the Orange Walk district, in which Blue Creek is situated (see Figure 1), were members of the Old Colony congregation, a group that originated from a split in Canadian Mennonite settlements in the 1870s and that was known for their traditional way of life. Outsiders used the name Old Colony to refer to 'those people who were loyal to a rigid belief-system and a traditional way of life' [Redekop, (1969), p.10]. The members themselves also adopted this name.

**Figure 1** Belize and the location of three Mennonites communities



- Notes: 1 Blue Creek  
2 Spanish Lookout  
3 Shipyard

Members of the Old Colony church aim to preserve their lifestyle and reject innovations and modern technology (Plasil and Roessingh, 2006). Horse and buggy is still the main use of transportation within Old Colony communities. As the Old Colony Mennonites maintained their traditional values in life and in their agricultural practices, they experienced more problems than other communities in expanding their cultivated acreage (Hillegers, 2005). The group that came down to settle in Spanish Lookout (see Figure 1), in the Cayo district, derived from the 'Kleine Gemeinde' congregation that was founded

in 1874 as a response to the establishment of the Russian Mennonite Church (Loewen, 1993; 2006; Roessingh and Schoonderwoerd, 2005). Originally this congregation led a traditional life, but the 'Kleine Gemeinde' Mennonites became more progressive after their migrations towards Belize. Over the years another Mennonite congregation called the Evangelical Mennonite Mission Church (EMMC) came to Belize. This congregation had its roots in Canada and built its first church in Belize in Blue Creek. The EMMC church is the most progressive congregation within the Belizean Mennonite communities. Services on Sunday, in contrast with the other congregations in Belize, are active, women and men are sitting side by side and the sermons are accompanied by music. During the week several bible study groups are organised in people's houses.

#### **4 The community**

##### *Blue Creek*

Blue Creek is located in northern Belize, east of the Guatemalan border, south of the Mexican border and near the intersection of the Azul, Bravo and Hondo rivers. This isolated area is part of the Orange Walk district of Belize. Driving from the city Orange Walk to Blue Creek, you follow an unpaved, bumpy road and pass small Belizean villages called Yo Creek, Trinidad, San Lazaro, August Pine Ridge and San Felipe. After a one-hour drive the hills of Blue Creek appear in sight and once you have crossed a little bridge across the Bravo, the road is paved again. You have now arrived in Blue Creek.

At present, the community counts about 800 inhabitants and is known as an advanced Mennonite community in the country. On the contrary, when the Mennonites arrived in Blue Creek in 1958 this area was nothing more than a dense jungle, covered by forests interspersed with swamp savannas with tacky and though soils (Hillegers, 2005). The Mennonites had to overcome difficulties with the agro environment and endured from the malaise caused by the tropical climate that was new for them. They also had to learn how to grow crops in this climate and changed to different products than they were used to cultivate; from oats and wheat in Canada and Mexico to rice, beans and tropical fruits in Belize.

The Mennonites transformed the jungle into cultivated hills where crops are grown and cattle are raised. As soon as you have entered the community, this does not feel like Belize anymore. The road is paved, the rice fields green, the mountains cultivated, the houses are big and people have another appearance.

The Blue Creek Mennonites distinguish themselves by making use of a more developed economic system of commercial agriculture and agribusiness in their community (Roessingh and Schoonderwoerd, 2005). The organisations in the community do not only produce in order to supply the inhabitants of Blue Creek, but export their products to the local market as well. The Mennonites created a well-organised network of distribution and transport and deliver quality products; this way their organisations became dominant businesses in the country (Roessingh and Schoonderwoerd, 2005). The businesses that are established by Blue Creek Mennonites are all related to agro-culture; for example Maya Papaya produces papayas, Caribbean Chicken is a chicken slaughterhouse, Valley Ranch Enterprises is a construction company, the Rempels



maintain a mechanic shop, practice crop dusting and raise cattle and Circle R is a rice mill. The smaller firms also concentrate on chicken, rice, beans, fruit or cattle.

The Blue Creek Mennonites are in contact with the world outside their community for business and private matters. The main place where Blue Creek Mennonites meet the local people is at shops and the market in town, since the Mennonites regularly go there to sell their products or to buy products and take advantage of services that are not offered in their own community. Apart from the business market interaction the Blue Creek Mennonites take a prominent position in the labour market in Belize because they employ many local people to work in their community (Roessingh, 2007).

Blue Creek houses 'Kleine Gemeinde' adherents and EMMC Mennonites. Both churches have their own school, clinic and shops and the people live together in harmony, but a clear distinction between the followers of each church can be made. Compared to the EMMC church is the 'Kleine Gemeinde' a more traditional congregation. Members of the 'Kleine Gemeinde' use the low-German language as their main language and dress in traditional clothing such as dresses with flower design for the ladies and girls, overalls and blouses for the men and boys. Opposite, the EMMC Mennonites speak the English language and men and women dress in jeans and shirts. The EMMC Mennonites have more contact outside the community and make use of new technologies while the 'Kleine Gemeinde' adherents reject most of these technologies. The distinction between 'Kleine Gemeinde' and EMMC is also evident in the entrepreneurial activities of Blue Creek companies. For example, Caribbean Chicken originates from a 'Kleine Gemeinde' background and 'Kleine Gemeinde' followers take management positions in this company. Circle R is an EMMC based company and mainly employs EMMC Mennonites.

Consequently, within the Blue Creek community the distinction between 'Kleine Gemeinde' and EMMC is easily made, but outsiders only distinguish the Mennonites from the Belizean population based on their religion and life style.

## 5 Circle R

### *'You can't stop a Mennonite from work': a case study*

When the Mennonites arrived in Blue Creek, they were not used to the tropical climate and failed skills and knowledge about agriculture in this situation. Years of trial and error learned the Mennonites to anticipate on the environment of Belize. The Mennonites worked hard and gained experience about producing food in a tropical environment. They had to take risks, dared to take advantage of changes and developed opportunities, the community flourished.

In 1994 Mr. P. Rempel and his brother established the rice mill company Circle R in Blue Creek, Northern Belize. After years of cultivating rice they realised that the company who was milling their rice was keeping too much profit for itself. The farmers earned less than they thought that would be possible and therefore the brothers set up a rice mill in the community of Blue Creek.

Circle R is located in the back of the community, in an area called 'Blumental'. When you arrive at the company you can park your car in front of the lower building which is the office and shop. On the right hand side you will see the shed in which rice is

processed mechanically. On your left hand you can see the community's hatchery that is also situated at this location.

The Rempel brothers determined to start a company owned by shareholders instead of by themselves. The name Circle R is related to a circle of farmers who are involved in the company with the R referring to the initiators' last name. When the Blue Creek farmers noticed that Circle R. would give them more profit for their grains they decided to deliver their rice to Circle R. Every farmer who wanted to sell his rice to Circle R would become a member of the company. A board of directors was formed to lead the company. The five members in this board voluntarily represent all members of the company and stipulate investment and company strategy.

One manager is responsible for the day-to-day decisions. A few staff members support him; four men work in the rice mill, three ladies work in the office and there is one truck driver. Although Circle R counts only nine people who work for the company on a daily basis, the company is considered to be one of the largest rice mills in Belize. Every member of Blue Creek can be a shareholder in Circle R, but at least every farmer who brings his rice to the mill is a member of the company. In 2007, Circle R counted forty shareholders and about ten farmers from the community who delivered all their rice to Circle R.

The produced rice is transported to Belize City where Belize food supply is located. Belize food supply consists of five rice companies: Circle R, Hillbank, Mayan Pearl (all three are located in Blue Creek), Proper Rice (located in Shipyard, see Figure 1) and Mr. Moreno (located in Belize City). The first four are owned by Mennonites, whereas the latter is Belizean. Mr. Moreno is also responsible for the day-to-day tasks of Belizean food supply. He has the most widespread local contacts to distribute all the milled rice and keeps the other companies informed. Mr. A. Rempel advocates that the market price can be better controlled when more companies work together. In this manner the company has a stronger economic influence on the country's market. All farmers receive their payment based on the percentage of the quota that they possess at the mill which they are related to.

In an interview with one of the board members it became clear that recruitment is a difficult task. A respondent stated that it is hard to find employees who can work with machinery and can handle responsibilities at the same time. When Circle R was in need of a new manager the first step was to see if someone in the family would be suited for the job.

"Unfortunately none of my close family members was looking for a new job. Via my brother's wife I heard that her cousin was seeking for work. So we talked and I asked him what he was thinking of. He said he was thinking long term and this is where the negotiation stopped. We were thinking long term too." (Interview, 4 May 2007).

Stanley has been Circle R's manager since January 2007 and is responsible for the daily management of the rice mill. The company decided to invest in larger equipment since more farmers took up planting rice. Investments like this are always proposed by the members of the board and presented to the members in a meeting. Every shareholder has the right to vote and only when the majority agrees, a plan will be implemented. Following this system, a new mill machine arrived in March and the four men who work in the mill learned how to use it.

Mr. A. Rempel declared that Circle R needs more employees to work in the mill in order to produce all the rice that will be harvested in the future. He explained that there is more work to do than there are workers in Blue Creek at the moment. 'Nowadays families are smaller and therefore less people are available.' He joked, 'I guess we need a 'worker-factory'!' (Informal conversation, 11 May 2007).

Mr. A. Rempel revealed about last year that Circle R hired both a Mennonite from Shipyard and a local employee. The employee from Shipyard is related to one of the Board members; the local employee used to be a worker for someone else and appeared to be trustworthy. References are especially important for local employees to find a job within a Mennonite community. A respondent declared that her husband hired only a local employee based on former experiences with this person in the community, she clarified that "In general, locals are not skilled enough to work with machinery" (Informal conversation, 9 May 2007). Another downside from hiring locals is, according to Mr. A. Rempel, that locals only want to work for nine hours a day.

Every morning a bus drives from San Felipe to Blue Creek for all local employees who work in the Mennonite community. The bus arrives at about 7:30 am in Blue Creek. Employees get off the bus wherever is close to their work and walk the last part to the company or family that they work for, carrying along their daypack with lunch. By the end of the day, at about 4:30 pm, all employees from San Felipe sit along the main road in Blue Creek and wait for the bus to take them home. Mr. A. Rempel complained that the local employees always want to catch this bus and do not arrange any other transportation in case there happens to be a problem at the mill. He emphasised that employees with a Mennonite background are more dedicated and flexible. In addition he claims:

"Mennonite employees have learned that when there is no work on machine A, they will see if there is work at machine B or C. Mennonites have the discipline to continue working whereas the locals just stop working as soon as there is no work at machine A. I find this so frustrating..." (Interview, 4 May 2007).

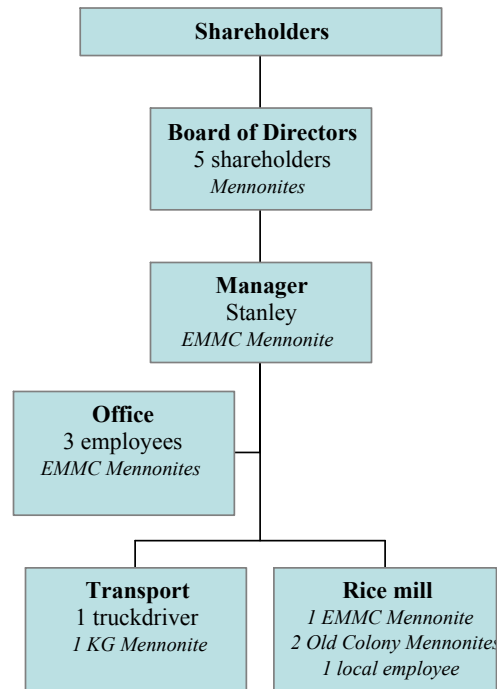
Local employees earn less money for the same job, as Mennonite employees would do. In Blue Creek it is customary to pay a local employee 30 BZD (15 USD) a day whereas Mennonite employees at least earn 45 BZD (23 USD) a day. Due to the shortage on good employees, the relation that entrepreneurs have with Mennonite employees and the faith that they have in employees with the same values, obtain Mennonite employees more responsibility and a higher salary than local employees. A respondent declared that local employees are not as reliable as Mennonite employees because "they don't show up, harass women or quit without saying it before!" (Informal conversation, 20 March 2007)

Every day except for Sunday, the Mennonites in Blue Creek work until the sun descends below the horizon in the evening. The mentality to work this many hours has been subject in several interviews and informal conversations. As one of the ladies said: "Mennonite men can be blind for everything else than work, they focus and forget everything else around them" (Informal conversation, 10 May 2007). Stanley also admitted that his wife complains because he works over hours every a day. One respondent pictured the Mennonite's attitude as: "You can't stop a Mennonite from work" (Informal conversation, 14 May 2007). This frame of mind illustrates the hands-on mentality that Mennonites are known for.

Circle R's organisational chart is drawn by one of the board members who explained the background of each employee. The chart is incorporated in this paper as Figure 2 and

shows that this EMMC based company mainly employs EMMC Mennonites. Every so often the board members do hire a Mennonite from another congregation, like the 'Kleine Gemeinde'. Nevertheless, such a person is always part of the social capital of one of the other employees.

**Figure 2** Organisational chart of Circle R, Blue Creek, Northern Belize (see online version for colours)



Source: Smits (2007)

## 6 Conclusions

In this article, we described the Mennonites as an ethnic group in Belize that is focused on community-based entrepreneurship. The Mennonites are immigrants in Belize concentrate on their own community and make use of their own sources. Community members have built the companies and with the help of community members the organisations in Blue Creek can function. Every enterprise in Blue Creek is committed to the community and supports Blue Creek in its progress.

Social capital plays an important role in the entrepreneurial activities of Blue Creek. By making use of their social capital entrepreneurs can increase their activities with support from their friends, family and community members. In the recruitment process of new employees the management of each company makes use of its social capital. Organisations have a tendency to hire people that are comparable to the people that already work in the company; managers select their employees not just on skills but also take in account their background, values, attitude and interest (Roessingh and Smits,

2010). An entrepreneur has certain characteristics in mind that a new employee should meet, predominantly dependability and trustworthiness (Kraybill and Nolt, 1995). Most business people involve their offspring in their work and new employees are usually member of the immediate family or are related to the same ethnic grapevine (Kraybill and Nolt, 1995).

Redekop et al. (1995) stated that the Mennonite society is based on a network of personal connections. Over the years the Mennonites developed a strong set of values and believes that were focused on living in harmony, supporting fellow believers through mutual aid and encourages members to abide faithful (Ryman, 2004). Elements of social capital such as trust, goodwill and mutual aid contribute to the productive Mennonite lifestyle (Ryman, 2004). Also cultural resources such as an energetic work ethic, managerial skills, frugality, strong kinship networks and large stable family units facilitate the Mennonites in expanding their entrepreneurial activities (Kraybill and Nolt, 1995). Mennonites are known for their hard work, their sincere attitude and their quality goods and services that generate opportunities for broader economic possibilities (Ryman, 2004). As the market expanded and companies need more employees in order to enlarge, this has influence on the daily operations of the Mennonite organisation. Earlier, companies consisted mainly on the help of family members, but along with the growth it became necessary to employ workers from outside the family (Roessingh and Smits, 2010). As has become clear from the data, the way in which the organisation of Circle R. is managed by the Mennonites is an indication of the fact that the four resources of social capital that were introduced by Portes and Sensenbrenner (1993) play an intriguing role and appear in an intertwined, almost indistinguishable form. Religion outlines value imperatives that managers apply in their search for new employees and their behaviour towards employees who carry the same religion indicates reciprocity transactions. The case study illustrates that bounded solidarity such as a shared history and communal basic assumptions are the main aspects to prefer a Mennonite employee above a local employee within Circle R. Bounded solidarity and enforceable trust increase the social capital that managers use in the recruitment process. Community members are identified as familiar, which creates a bond of interpersonal trust and understanding. The social arena in which the Mennonites are established is based on a network of shared perspectives and resources that can support an entrepreneur in his business activities. The management of Circle R has a strong preference for Mennonites because they are convinced that local employees are not skilled enough to do the job. They prefer to hire employees who are part of their social network. In times that there is a shortage on Mennonite employees the management needs to reach further than Mennonite employees in his social capital. Nevertheless, the manager will still make use of information that he gains from his social network in order to find out which local employee is qualified to work for the company. In all manners we claim that trust and reciprocity are strongly present in the entrepreneurial activities of the Mennonites in Blue Creek.

Based on the examples from our case study we can therefore conclude that the four resources of social capital play a crucial role within the internal network system of the Circle R organisation in the shape of a strong social cohesion based on a shared history, strong family bounds and overarching religious principles.

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